

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 24th Floor
San Francisco, California 94105**

NOTICE OF AVAILABILITY OF REVISED TEXT

**PROVIDER NETWORK ACCESS STANDARDS
FOR HEALTH INSURANCE POLICIES AND AGREEMENTS**

**(also known as Network Provider Provisions
In Health Insurance Policies And Agreements)**

**RH-05043720
October 24, 2007**

On November 22, 2006, the Insurance Commissioner of the State of California (Commissioner) issued a Notice of Proposed Action proposing the adoption of amendments to California Code of Regulations, Title 10, Chapter 5, Subchapter 2, Article 6, sections 2240 through 2240.4, entitled "Exclusive Provider Provisions in Group Disability Policies and Agreements," as well as the adoption of a new section, California Code of Regulations, Title 10, Chapter 5, Subchapter 2, Article 6, section 2240.5. The notice was published in the California Regulatory Notice Register on November 24, 2006. On January 11, 2007, the Commissioner held a public hearing and received oral testimony and written public comment in response to the Notice. On September 21, 2007, the Commissioner proposed additional changes to 2240, 2240.1, 2240.2, 2240.3, and 2240.4 of the proposed amendments, and to the proposed new section 2240.5. Written comments were received in response to these proposed changes

PUBLIC COMMENT INVITED ON REVISED TEXT:

As a result of the written comments, the Commissioner has proposed further changes to the following sections:

- 2240(m), regarding the definition of "service area;"
- 2240.1(b)(6), regarding administrative/professional staffing ratios;
- 2240.1(b)(6) [formerly (b)(7)], regarding access to basic health care services through network providers;
- 2240.1(c), regarding network provider services;
- 2240.3(d), regarding service areas restricted to network providers;
- 2240.5(a)(3), correction of citation,
- 2240.5(e), regarding reporting of consumer complaints.

These are in addition to the amendments to these and other sections of California Code of Regulations ("CCR") Title 10, Chapter 5, Subchapter 2, Article 6 previously proposed on November 22, 2006 and September 21, 2007. A copy of the changes, with the proposed changes clearly indicated, is enclosed with the mailed copies of this notice. Deletions from the prior proposed text are indicated in bold double strikethrough; additions are indicated in bold double underline. A copy of the changes, with the proposed

changes clearly indicated, will be available for public inspection and comment for at least 15 days before the proposed regulation is adopted, amended, or repealed. This document may be inspected between the hours of 9:00 a.m. and 4:00 p.m., by arrangement with the contact person listed below, at the Department's offices at 45 Fremont Street, 24th Floor, San Francisco, California 94105.

The Commissioner believes that the changes made are either nonsubstantial, solely grammatical in nature, or are sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action. Accordingly, pursuant to the provisions of California Government Code Section 11346.8(c), the Commissioner is soliciting written public comment on the changes. Comments submitted on unchanged portions of the proposed amendments will not be considered.

SUBMISSION OF WRITTEN COMMENTS:

All persons are invited to submit written comments on the proposed regulations **no later than 5:00 p.m. on November 8, 2007**. All written comments, whether submitted at the hearing, or by U.S. mail, or by e-mail or facsimile, must be received by the Insurance Commissioner, c/o the contact person at the address listed below, **no later than 5:00 p.m. on November 8, 2007**. Any written materials received after that time will not be considered.

COMMENTS TRANSMITTED BY E-MAIL OR FACSIMILE:

The Commissioner will accept written comments transmitted by e-mail provided they are sent to the following e-mail address: HinzeB@insurance.ca.gov. The Commissioner will also accept written comments transmitted by facsimile provided they are sent to the attention of the contact person at the following facsimile number: (415) 904-5896. **Comments sent to other e-mail addresses or other facsimile numbers will not be accepted. Comments sent by e-mail or facsimile are subject to the 5:00 p.m. November 8, 2007 deadline for written comments set forth above.**

CONTACT PERSONS:

Written comments should be addressed to the contact person:

Bruce Hinze, Staff Counsel III
California Department of Insurance
45 Fremont Street, 23rd Floor
San Francisco, CA 94105
Telephone: (415) 538-4392

Questions regarding procedure, the hearing, comments, or the substance of the proposed action should be addressed to the contact person listed above. If he is unavailable, inquiries may be addressed to the backup contact person:

Andrea Rosen, Staff Counsel
California Department of Insurance
300 Capitol Mall, 17th Floor
Sacramento, CA 95814
Telephone: (916) 492-3508

WEBSITE POSTINGS:

Documents concerning this proceeding will be available on the Department's website. The documents will include the proposed regulations, the Notice of Hearing and Informative Digest, the Initial Statement of Reasons, this Notice of Availability of Revised text, the revised text of the proposed regulations, and, when it has been prepared, the Final Statement of Reasons. To access documents concerning this proceeding, go to <http://www.insurance.ca.gov>. Find the link "QUICK LINKS" in on the right of the screen. Below "QUICK LINKS," click on the arrow under "For Insurers" then click on "Regulations" in the drop-down menu. In the "Insurers: Regulations" screen, click on the "Proposed Regulations" link. A new screen will open titled "Search for Proposed Regulations." In the search field under "How to Search" enter 'RH05043720' (the Department's regulation file number for these amended regulations), and click "submit."

AUTOMATIC MAILING:

A copy of this Notice, and the text of the revised proposed amendments, will automatically be sent to all those who testified at, or attended, the public hearing and provided contact information, those who submitted written comments at the public hearing, all persons whose comments were received during the public comment period, all persons who requested copies of information regarding the regulations, and all persons who requested notification of the availability of such changes.

Dated: October 24, 2007

STEVE POIZNER
Insurance Commissioner

By: _____/s/
Bruce Hunter Hinze
Staff Counsel III

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